Outsourcing of services by Air India

*189. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Air India (AI) for the first time, is going to outsource some of its services;

(b) if so, which are the areas that AI proposes to outsource;

(c) whether it is a path-breaking move since no PSU has employed outside agencies to perform their public relations role which AI is planning to do; and

(d) the reasons behind this move and whether there will be any security threat when AI outsources some of its services?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) No, Sir. Air India over the past few years has been outsourcing some of its non-core activities.

(c) Air India had first appointed PR Agency in 1994 which was discontinued after a year. Air India has now appointed a PR Agency for continuous media monitoring, image audit, media relations and developing effective channels of communication to consumers, employees, trade, etc. While the Public Relations Department of Air India would continue to handle the media relations, the PR agency will only supplement and co-ordinate the activities of the PR Department.

(d) The outsourcing of certain activities by Air India would result in cost effectiveness and better efficiency. No security threat is envisaged by outsourcing these services.

Diversification of operations of aircrafts

*190. SHRI V. NARAYANASAMY: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that he has warned the Airlines to diversify their operation of aircrafts and stop low-cost fare offers; and

(b) whether it is also a fact that by allowing Private airlines into the market, consumers are the beneficiaries because of the competition?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) No, Sir.

(b) Scheduled Private Airlines have been operating services since early nineties. Passengers have benefited from the increased competition through increased connectivity, better standards of services and lower tariffs.

Waiver of interest on drought affected areas

*191. SHRI NANDI YELLAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether he in a meeting held on 10th February 2005 agreed to extend the waiver of interest for the last four years to continuous drought affected farmers in Andhra Pradesh as they are not able to repay the instalments of loans taken from the financial institutions due to non-availability of water in Krishna basin and due to non-availability of power;

(b) if so, whether Government would issue necessary and relevant orders immediately for the agreed waiver of interest; and

(c) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) In a meeting with Chief Minister of Andhra Pradesh on 10.02.2005, *inter-alia*, the conditions of farmers in debt and distress was discussed. It was indicated that Government was seized of the matter and that it had already announced, on June 18, 2004, certain measures for improving the flow of credit to agriculture and to provide relief to the farmers.

The salient features of these measures are:

Restructuring of debts by Commercial Banks, Regional Rural Banks and cooperatives have been undertaken for farmers in distress, farmers in arrears and OTS for small and marginal farmers as per details below:—

1. *Farmers in distress, i.e.* those who have suffered production and income loss on account of successive droughts, floods and other calamities in districts declared as calamity affected by the State Government concerned, to be given debt relief and their debts